



AUDIT REPORT – COUNTY CLERKS OF DISTRICT COURT

Audit Report Released. The Office of Auditor of State recently released the FY 2014 Audit Report of the Iowa Judicial Branch – County Clerks of District Courts. A full copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's [website](#).

Background. The Judicial Branch provides court services through the County Clerks of District Courts in each of Iowa's 99 counties. The County Clerks of District Courts are responsible for providing, managing, and maintaining document processing activities of civil, probate, criminal, juvenile, traffic, child support and small claims for the courts. They also collect, deposit, disburse, and account for all fees and other moneys paid to the County Clerks of District Court offices.

Recommendation. The report makes the following recommendations related to internal control.

Segregation of Duties: The existing procedures were evaluated to determine if incompatible duties are performed by the same employee.

- **Recommendation** – Each County Clerk of District Court should review the operating procedures of their office to obtain the maximum internal control possible.
- **Response** – The Judicial Branch will continue to work with clerks to segregate duties to obtain the maximum internal control possible for each office.

Manual Receipts: Certain manual receipts did not follow the procedure set out by the Judicial Branch Accounting Procedures Manual (APM) and were not recorded or timely posted to the Iowa Court Information System (ICIS).

- **Recommendation** – The County Clerks of District Courts should limit use of manual receipts to only those times when the ICIS system is down and should follow Judicial Branch Accounting Procedures and proper internal controls when processing manual receipts.
- **Response** – Manual receipts are not used very often, but the Judicial Branch will remind the clerks of the proper procedure to follow in the event it does happen.

Receipt/Batch Summary:

- **Recommendation** – The Iowa Judicial Branch should develop procedures and work with the County Clerks of District Court to ensure an independent review of the Receipts/Batch Summary report is performed at least monthly and correctly documented.
- **Response** – The Judicial Branch will continue to work with the clerks to ensure they understand the procedures concerning journal entries and the Receipts/Batch Summary report.

Case Delete Program:

- **Recommendation** – The Judicial Branch should work with the County Clerks of District Court to ensure access is limited, deletions are properly documented in accordance with established procedures, and case delete logs are generated and reviewed by an independent person.
- **Response** – The Judicial Branch will continue to work with the clerks to ensure case deletion procedures are understood and followed.

Disaster Recovery Plan:

- **Recommendation** – The Judicial Branch should ensure the County Clerk of District Court offices annually test the disaster recovery plan and retain documentation of testing of the plan.
- **Response** – The Judicial Branch will encourage the district court administrators to work with their clients of court to ensure plans are tested and documentation is retained.

Case File Information Changes:

- **Recommendation** – The Judicial Branch should develop procedures and work with the County Clerks of District Courts to ensure the Zeroed Transactions in Production report is reviewed by the County Clerks of District Courts at least monthly and is properly documented.
- **Response** – The Judicial Branch will provide additional training concerning the Zeroed Transactions in Production Report to ensure all Clerks understand what needs to be done with these reports.

Reversed Receipts Report:

- **Recommendation** – The Judicial Branch should develop procedures and work with the County Clerks of District Court to ensure an independent review of the Reversed Receipts report is performed at least monthly and appropriately documented.
- **Response** – The Judicial Branch will continue to work with the clerks to help them establish procedures to ensure a proper independent review of the Reversed Receipts report.

Community Service:

- **Recommendation** – The Judicial Branch should develop procedures to ensure the County Clerks of District Court make proper journal entries to record an individual's satisfaction of fines through performance of community service.
- **Response** – The Judicial Branch will continue to work on improving its procedures and accounting of community service performed as a means to satisfy payments of a fine.

Cash Bond Receipts: Controls are not adequate to ensure cash (currency) bonds received from law enforcement personnel are entered in ICIS.

- **Recommendation** – The Judicial Branch should develop procedures and work with the Clerks to complete and maintain a cash bond log.
- **Response** – The Judicial Branch will review the cash bond procedures with the clerks to ensure they understand what needs to be done.

Jury and Witness Disbursements: Supporting documentation for jury and witness fee disbursements did not always match the payment made.

- **Recommendation** – The County Clerks of District Court should verify proper payment amounts and maintain proper support for jury and witness fee disbursements.
- **Response** – The clerks will take more care to verify proper payment amounts and maintain proper support of jury and witness disbursements.

Over the Counter Receipts:

- **Recommendation** – The Judicial Branch should develop procedures to ensure receipts are issued for all collections received over the counter. A bond log could be maintained to record the amounts received and later be reviewed by an independent person to ensure the receipts were entered into ICIS.
- **Response** – Receipts are issued for cash payments received over the counter but the Judicial Branch does not have enough staff time to issue receipts for payments made with a check.

ICIS: A review of certain financial information recorded by the County Clerks in the ICIS and the controls over the ICIS was performed and made the following findings:

Relational Database:

- **Recommendation** – The Judicial Branch Information Technology Department (JBIT) should develop procedures to ensure changes made to the relational database tables are properly monitored.
- **Response** – The JBIT has implemented a product to audit uses of privileged accounts in its environment.

Multiple Sessions:

- **Recommendation** – The JBIT should take steps to ensure multiple sessions cannot be open at the same time or work with its developer to eliminate this issue.
- **Response** – The JBIT is in the process of determining the feasibility and development costs on limiting the edit function to one session, but still allowing two sessions open.

Recommendation. The report makes the following recommendations related to statutory requirements and other matters.

Monthly Reports:

- **Recommendation** – The monthly reports to the State, County, or City Clerk should be completed by day 15 of each month and the copies should be retained by the County Clerk of the District Court Office.
- **Response** – The three Counties noted will be timely in the future and maintain copies of the reports.

Unclaimed Property:

- **Recommendation** – The outstanding check and trust lists should be reviewed annually and amounts over two years old should be remitted to the Office of Treasurer of State. Unclaimed property for other states and entities should be reviewed and remitted as required.
- **Response** – The Judicial Branch will ensure the trust list is reviewed each year along with the outstanding check list and all items eligible will be remitted at the appropriate time.

Community Service Wage Rate:

- **Recommendation** – The Judicial Branch should revise its APM procedure to be consistent with Iowa Code chapter 909.3A. In addition, procedures should be developed to ensure the community service hourly rates applied per a Judge's orders are in compliance with the Iowa Code.
- **Response** – The APM has been revised and is consistent with Iowa Code. The Judicial Branch will continue to work with judges and clerks to ensure the community service wage rates are in compliance with the Iowa Code.

Record Retention:

- **Recommendation** – The County Clerk of District Court Office should ensure all required financial documents are retained for five years, including traffic tickets and case files.
- **Response** – The two Counties noted have informed all staff of the requirements to retain financial records for five years.

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